

Commission on Aging and Retirement Education
EXCELLENT GOVERNMENT SERVICE
ALERT!



TO: Mayor O'Malley
Cabinet
City Council
CARE Commissioners

IAC Members
Senior Center Directors
CARE Staff

From: John P. Stewart, Executive Director

Date: January 28, 2004

AREA/SERVICES:

Commission on Aging and Retirement Education (CARE) and Medicare Prescription Drug Improvement and Modernization Act of 2003.

BACKGROUND:

Medicare is a health care program for people 65 and older and people with disabilities. On December 8, 2003 President George Bush signed into law the Medicare Prescription Drug Improvement and Modernization Act. The new law is design to provide more health care coverage and greater health benefits. Additional benefits include important new prescription drug and preventive benefits and additional assistance to people with low incomes.

ALERT:

Enrollment for the Drug Discount cards will begin in May of 2004 and continue through December 31, 2005. Medicare will mail information on how to enroll soon. Enrollment is by choice. Single persons with income no more than \$12,123 or no more than \$16,362 for a married couple may qualify for a \$600 credit on the discount card to assist with payment for prescription drugs. The additional \$600

credit does not apply to persons receiving drug coverage from Medicaid, TRICARE for Life or an employer group health plan.

New Preventive Benefits will begin in 2005. Coverage included under the New Preventive Benefits includes:

- ✓ One-time initial wellness physical exam within six months of the day you first enroll in Medicare Part B
- ✓ Screening for blood tests for early detection of heart diseases.
- ✓ Diabetes screening tests for people with Medicare at risk of getting diabetes.

These benefits are in addition to preventive services that Medicare currently covers, such as, cancer screenings, bone mass measurements and vaccinations.

Prescription Drug Benefits will be added to Medicare in 2006. Everyone with Medicare is eligible to enroll in plans that cover prescription drugs. Generally this is how some plans will work:

- ✓ Prescription drug plan of your choice will cost approximately \$35 a month
- ✓ There is a \$250 deductible
- ✓ Medicare will then pay 75% of costs between \$250 and \$2,250 in drug spending. You are responsible for the remaining 25%.
- ✓ You will pay 100% of drug costs above \$2,250 until you reach \$3,600 in-out-pocket spending. Medicare will pay about 95% of the costs after you've spent \$3,500.

OUTCOME:

Additional assistance is available for people with low incomes and limited assets. More importantly, people with Medicare in the greatest need, who have incomes below a certain limit, will not have to pay premiums or deductible for prescription drugs. The income limits will be set in 2005. Qualified persons will pay a small co-payment for each prescription. Remaining persons will with low incomes get assistance paying the premiums and deductible.

FOLLOW-UP

For further information on Medicare call 1-800-633-4227, TTY users should call 1-877-486-2048. Updated information is also available on www.medicare.gov. Contact CARE's call center 410-396-2273 for further information regarding this Alert.